Government of Saskatchewan

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Cattle Market Update

For the Week Ending September 12, 2014

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Sept. 12/2014	Average	$315.88	$297.50	$263.88	$251.69	$236.85	$227.61	$216.70
Sept. 12/2014	Range	300-349	265-334	250-284	242-264	225-247	217-235	207-225
Week/Week	Change	$8.71	$13.33	$3.55	$10.19	$6.85	$7.41	$11.00
Sept. 5/2014	Average	$307.17	$284.17	$260.33	$241.50	$230.00	$220.20	$205.70
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Sept. 12/2014	Average	$259.50	$257.83	$237.50	$226.50	$220.92	$206.30	
Sept. 12/2014	Range	245-286	235-275	230-245	220-239	212-228	201-213	
Week/Week	Change	N.A.	$7.33	-$1.00	$4.37	$7.92	$5.05	
Sept. 5/2014	Average	N.A.	$250.50	$238.50	$222.13	$213.00	$201.25	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficicent data.

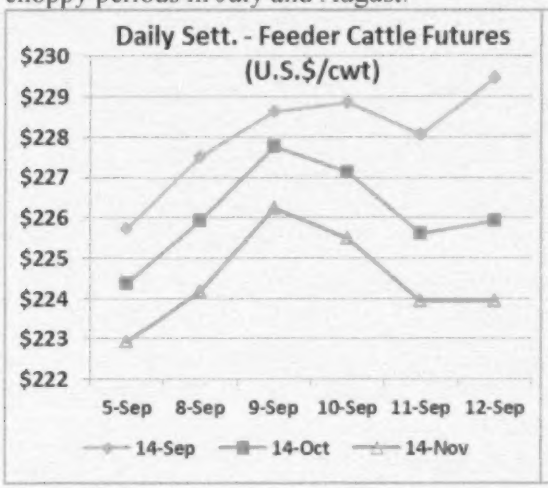
Canfax reported that a total of 9,577 head of cattle were sold in Saskatchewan this week, up from 6,326 head marketed the previous week.

Saskatchewan feeder steer prices were higher over the week with big gains in many weight categories. Saskatchewan feeder steer prices increased between $3.55 per cwt and $13.33 per cwt. The biggest gain over the week was in the 400-500 lb. weight category which increased by $13.33 per cwt, followed by the 900+ lb. weight category which increased by $11.00 per cwt. All feeder steer weight categories reached new all-time high record prices over the week.

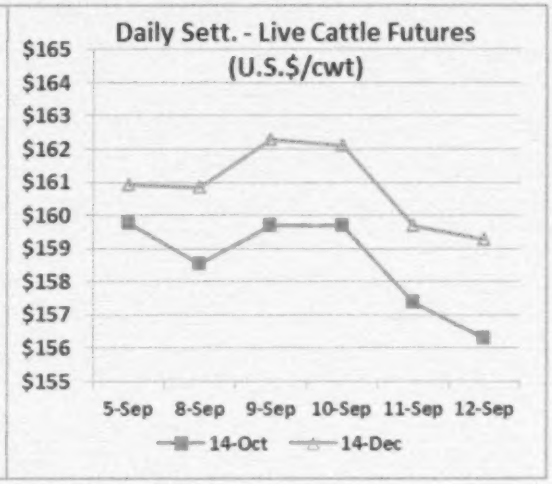
Feeder heifer prices were mostly higher over the week and ranged from $1.00 per cwt lower to $7.92 per cwt higher. The 700-800 lb. weight category had the largest increase over the week while the 500-600 lb. weight category had the only loss over the week. All feeder heifer weight categories except the 500-600 lb. weight category reached new all-time high record prices over the week. Feeder cattle prices were driven higher by strong feeder cattle demand, a lower Canadian dollar, and lower trending corn and barley feed prices.

The Saskatchewan 750 lb. feeder steer basis compared to the September 11, 2014 U.S. feeder cattle index at US$227.74 per cwt was calculated at -$15.82 per cwt (US$227.74/0.9014 - $236.85), a basis widening of $1.75 per cwt from September 4, 2014.

Feeder cattle futures prices pushed higher early in the week establishing new all-time high record prices, before some contracts sold off later in the week. Feeder cattle prices still managed to end higher, week-over-week. The nearby September to November contracts increased between US$1.000 and US$3.750 per cwt. The September contract increased US$3.750 per cwt to settle Friday at US$229.475 per cwt, while the October contract increased US$1.550 per cwt to settle Friday at US$225.925 per cwt. The price trend since May has been higher with occasional choppy periods in July and August.

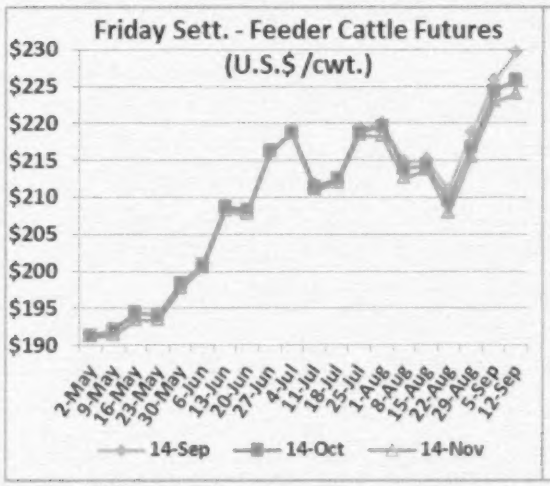


Source: CME



Source: CME

Live cattle futures prices ended the week lower, week-over-week. Prices were higher Tuesday and Wednesday before selling off at the end of the week. The December contract touched on a new all-time record high price on Tuesday, while the October contract came close to the July highs. Week-over-week, the October contract declined US$3.475 per cwt to settle Friday at US$156.275 per cwt, while the December contract declined US$1.675 per cwt to settle Friday at US$159.250 per cwt. This is the second time prices were not able to hold or move through the $160 per cwt mark, with the last time during the last week in July.



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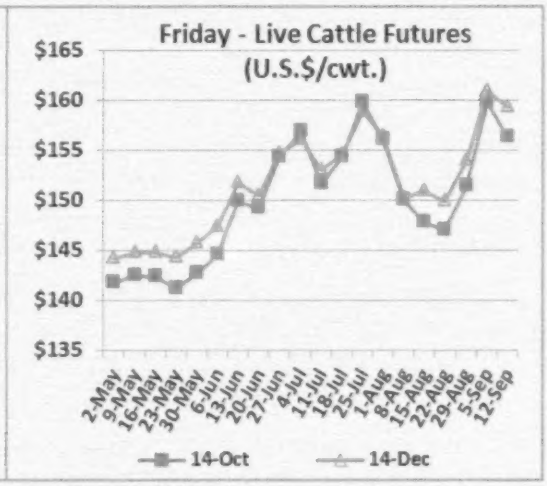

Source: CME

Iowa cash corn prices continued lower, week-over-week, decreasing 17 cents per bushel to end Friday at US$3.22 per bushel. The September corn futures contract was down over 7 cents to settle Friday at US$3.39 per bushel, while the December corn futures contract was down over 17 cents to settle Friday at $3.38½ per bushel. Continued good crop prospects with higher U.S. corn crop estimates released by USDA on Thursday have weighed on corn prices.

Fed and Non-fed Cattle

	September 12	September 5	Change over Week
Cows (Alberta)			
D1,2 Live	124.13	123.63	+0.50
D3 Live	111.70	111.90	-0.20
Rail	235-240	234-239	+1.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were mixed last week with D1,2 slaughter cows increasing $0.50 per cwt to average $124.13 per cwt, while the price of D3 slaughter cows decreased $0.20 per cwt to average $111.70 per cwt.

Fed cattle prices in Western Canada edged lower over the week. The price of fed steers in Alberta was reported to average $163.13 per cwt, down $0.37 per cwt from the price of $163.50 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$160.84 per cwt, down US$0.44 per cwt from US$161.28 per cwt the previous week, but up 30.7 per cent from US$123.10 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$249.20 per cwt, down US$1.44 per cwt from US$250.61 per cwt the previous week, but up 28.4 per cent from US$194.03 per cwt the same week a year ago.

Choice beef cutout prices (600-900 lb.) averaged US$251.08 per cwt, up US$3.46 per cwt from the weekly average price of US$247.62 per cwt the previous week, and up 29.6 per cent from US$193.71 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On September 11 the USDA released the September World Agricultural Supply and Demand Estimates (WASDE). United States corn production estimates were increased 363 million bushels to 14.395 billion bushels for 2014, from the August estimates. Corn yields were increased 4.3 bushels per acre to record production of 171.7 bushels per acre. While corn usage and exports were increased from the August estimates, ending stock estimates were increased by 10.7 per cent to just over 2 billion bushels. USDA's September's estimates were higher than August's, and were higher than the average trade estimates of 170.7 bushels per acre with total production of 14.3 billion bushels. The U.S. average farm price estimate for corn was reduced 35 cents on the low side and 45 cents on the high side to a price range of US$3.20 to US$3.80 per bushel.

The September USDA WASDE report estimated that United States Red Meat and Poultry production for 2014 will be 92.056 billion lb., a slight decrease from the August estimates, and a 1.4 per cent decline from 2013 production. U.S. 2014 beef production estimates in September were revised 1.0 per cent lower from August and will be down 5.4 per cent from 2013; more than any other meat. United States meat production for 2014 is projected to decrease for pork (-1.8%), turkeys (-1.4%), and beef (-5.4%), but increase for broilers (+1.6%), from 2013 production.

Friday Price Information

Product		This Week (September 12)	Week of: (September 5)
Canadian Dollar (closing rate US$)		.9014	.9190
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		227.74	224.28
Seven-day Weighted Average FC Index Wt. (lb.)		762	762
Live Fed 5-area Steer Price (US$ per cwt)		160.84	161.28
Feed Grains			
Barley	Lethbridge ($/tonne)	166.00	169.00
	($ per bu.)	3.61	3.68
Corn	Iowa State Average (CDN$/tonne)*	140.63	145.22
	(US$ per bu.)	3.22	3.39
	Omaha, NE (CDN$/tonne)*	147.18	145.65
	(US$ per bu.)	3.37	3.40
Futures			
	Sept. Corn (US$ per bu.)	3.39	3.46½
	Dec. Corn (US$ per bu.)	3.38½	3.56
	October Live Cattle (US$ per cwt)	156.275	159.750
	December Live Cattle (US$ per cwt)	159.250	160.925
	September Feeder Cattle (US$ per cwt)	229.475	225.725
	November Feeder Cattle (US$ per cwt)	223.925	222.925

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

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